



North Carolina Department of Health and Human Services  
Division of Social Services

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Governor

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Secretary DHHS

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Division Director

September 25, 2014

**Food & Nutrition Services (FNS), Medicaid, NC Health Choice, Child Support (IV-D), TANF, Work First Maintenance of Effort, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG)**

**FOLLOW-UP AND CORRECTION COMPLETED**

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**DSS County:** Perquimans

**On-Site Monitoring:** May 27, 2014

**Review Period:** December 2013 and March 2014

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**I Purpose**

This is a follow up letter noting corrections made for the findings cited in fiscal monitoring, as outlined in the July 25 letter.

**II Monitoring Review**

The NC Division of Social Services conducted a formal "on-site" monitoring of randomly selected Food & Nutrition Services (FNS), Medicaid, NC Health Choice, Child Support (IV-D), TANF, Work First Maintenance of Effort, Low Income Home Energy Assistance Program (LIHEAP), Foster Care Title IV-E Administration, Adoption Assistance Title IV-E Administration, Social Services Block Grant (SSBG), State In-Home and TANF to SSBG expenses. The Budget Office Monitoring Worksheet is attached for additional information. Our monitoring included a sample of reported expenditures; therefore does not guarantee all errors have been found. Reporting is the responsibility of the county. Noted below are the results:

**Part I – Salary and Fringe Benefits**

**Finding – None**

**Source -**

**Required Action**

**County Response**

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**Part II - General Administrative Costs**

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Location: McBryde Bldg. • 820 S. Boylan Avenue • Raleigh, NC 27603

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**Finding** – \$3,328.50 of attorney cost for Services reported as 310 General Admin Support instead of 349 General Services Support; \$348.00 of Income Maintenance costs reported as 310 General Admin Support instead of 359 General IMC Support. Agency is paying for Paternity/Genetic Testing and Clerk of Court Fees without an executed amendment to the contract between the County and Young Williams, excluding these costs from the contracted rate.

**Source** – DSS Fiscal Manual, Section III B, Item 7 Functional “Pool” codes:

*Functional “Pool” codes are included for collecting costs that can be readily identified as being chargeable to a group of programs that are providing like-type activities.*

DSS Fiscal Manual, Section III C Purchased Attorney Services, Item 4 b:

If the attorney provides *general administrative support* to the agency, the costs should be reported to program code "310" on the Part II. Other activities of the attorney, which may be related specifically to either the services area or to income maintenance, may be charged to the program "pool" code "349" or "359", as appropriate. The attorney's costs may be direct charged to an individual funding source line, as long as all costs are direct charged.

DSS Fiscal Manual, Section II-A Allowable Cost, Item B. Professional Services

The services must be in conformity with a written contract which specifies terms and conditions that have been properly executed, and are on file with both parties *prior* to requesting reimbursement.

<http://info.dhhs.state.nc.us/olm/manuals/ooc/fsc/man/>

**Required Action** – Reduce 310 General Admin Support by \$3,676.50 and charge \$3,328.50 to 349 General Services Support and charge \$348.00 to 359 General IMC Support. A contract amendment can not be executed before the 7/1/14 expiration date. All future contracts must specify expenditures which are not included within the contracted rate.

**County Response**

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#### **Part IV – Purchased Services**

**Finding** - None

**Source**

**Required Action**

**County Response**

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### **III CONCLUSIONS**

Monitor has verified the corrections on subsequent DSS 1571 reports and has documentation to support the correction. No further action is needed.

### **IV APPEAL**

If the county disagrees with the monitoring results, the appeal process is to submit a written appeal to Kathy Sommese, Budget Officer, NC Division of Social Services, 2417 MSC, Raleigh, NC 27699-2417, no later than thirty (30) days from the date of this letter.

Submitted By: Kim Goodwin, Fiscal Compliance Monitor

Cc: Kathy Sommese, NCDSS Budget Officer; Phil Lassiter, Local Business Liaison